



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community, and Economic Development

Alcohol and Marijuana Control Office

550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

MEMORANDUM

TO: Marijuana Control Board

DATE: June 1, 2023

FROM: Jane P. Sawyer,
Program Coordinator

RE: Application Queue Statistics,
Delinquent Taxes Lists,
Discussions on Other Subjects.

Queue Metrics: in Director's report.

May 2023 Tax Delinquency and 12-month Lists attached. May's list notates the status of any actions against the license/licensee due to delinquent tax debt. Only licensees on the list for three consecutive months and with over \$5,000 in tax debt were issued accusations.

Discussion: Please note that licensees with a delinquent tax debt of \$5,000 and under did not get an accusation. If this threshold is not acceptable to the board, please advise on the threshold amount. Consider that the smaller amounts might be due to having to travel to make the payment, therefore, not making it in on time.

MJ-17 Ownership Change application. Please see attached application/form MJ-17 Ownership Change (not to be confused with a license transfer application). I am asking the board to consider amending the form, and as a result, possibly, the need to amend the fees in regulation. Excerpts of application below.

Why is this form needed?

This ownership change form must be completed and submitted to AMCO's main office, along with all necessary supplemental documents and fees, **before** an ownership change that does not affect the controlling interest of an entity has occurred, as required by 3 AAC 306.040. The required \$250 change fee may be made by check, cashier's check, or money order. **The ownership may not be changed until the approved form is returned to you.**

If there is any proposed change in ownership that will result in a change in controlling interest of the marijuana establishment license, the establishment must file an application for transfer of the license to another person under 3 AAC 306.045. Please note that licensees seeking to change ownership of an entity that owns multiple licenses must submit a separate completed copy of this form and the required supplemental documents for each license. (the requirement of one application/form and therefore \$250 for each license is not in regulation). Would the board be opened to removing this requirement?.

The requirement of a licensee having to fill out one application for each license is burdensome for the licensee and not very efficient for our licensing team (too much paper-shuffling and review of duplicative information).

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June 1, 2023

An example is Great Northern Cannabis, they have eight licenses, owned by three different companies, these three companies are then owned by several persons and subcompanies. To add or remove an official, GNC needs to submit 8 applications at \$250 each, for a total of \$2000. Each application needs to list each and every company and each and every person involved. Each application is then reviewed by licensing and cross referenced with one another to make sure the information entered by the licensee on one form is exactly the same information entered on the next application. This is extremely time consuming; it would be more efficient if the requirement of this application was one application for each entity regardless of the number of licenses owned (similar to what Division of Corporations does).

In the example of GNC, GNC would only need to submit 3 applications at \$250 each for all 8 licenses, for a total of \$750 (as the regulation is written now). It is a \$1,250 decrease in revenue, in this example.

To sort of make up for revenue loss, the board could increase the fee on this application to \$250 for an entity with one license, and \$500 for an entity with two or more licenses (amending the regulation would be necessary). In this example, GNC would pay a total of \$1,500.

The change in regulation would be in 3 AAC 306.100:

Amending (c) to remove "ownership"

(c) The non-refundable fee to request board approval of a change in a licensed marijuana establishment's business name, **ownership**, licensed premises diagram, operating plan, or proposed new marijuana product is \$250. A change fee does not apply to an application for transfer of a marijuana

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establishment license, transfer of controlling interest to another person, or transfer of a marijuana establishment license to another location.

And add a new subsection to read along the lines of:

(i) The non-refundable fee to request the director approval of an ownership change under 3 AAC 306.040 is \$250 for the first level entity owning one license, and \$500 for the first level entity owning two or more licenses.

In the queue:

- The board requested making the operating plan forms easier to for an applicant to fill out. Possibly removing questions that require written down answers by applicants. Kristina and I will look into and hoping to bring something to the board by the August meeting.
- Ms. Muse would like to be part of auditing marijuana handler permit courses and reviewing regulations regarding marijuana handler permit courses. We are hoping to get to this project once we/the office are finished with Title 4 Rewrite projects.



May 18, 2023

Marijuana Control Board
Alcohol & Marijuana Control Office
550 W. 7th Avenue, Suite 1600
Anchorage, AK 99501

Re: Failure to pay taxes under AS 43.61.010 by licensed marijuana cultivation facilities

Pursuant to Alaska Statutes and Regulations, AS 43.05.230(e), AS 43.61.030 and 15 AAC 61.020, the Department of Revenue will inform the Marijuana Control Board of licensed cultivators that have failed to pay tax due or file a return as required by law.

As of May 17, 2023, there were 25 cultivation facilities with active licenses that failed to pay marijuana excise taxes as required under AS 43.61.010. The list below does not include accounts that are compliant on payment plans or that have past due balances under \$200.

Jane's notes in red ink.

AMCO Cultivator Name	License	Balance
50 SHADES OF GREEN LLC 90-day abeyance by MCB exp. 6.8.23	14956	\$ 38,719
AK GREEN BEE, INC first time on list in the last 12 months	13603	\$ 1,337
ALASKA BEASTY BUDS fourth time on the list in the last 12 months, but not in the last 3 consecutive months, and under 5k.	16028	\$ 709
ALASKA CANNABIS COMPANY ninth time on list in the last 12 months, but not in the last 3 consecutive months.	12618	\$ 27,330
BODHI TREE WELLNESS first time on list in the last 12 months	14178	\$ 396
BOREAL INC. 90-day abeyance by MCB exp. 6.8.23	10514	\$ 49,597
DREAM GREEN FARMS 120-day abeyance by MCB exp. 7.7.23	10080	\$ 155,923
FRONTIER GROW LABS, LLC 90-day abeyance by MCB exp. 6.8.23	11319	\$ 90,787
GOLDHILL GARDENS seventh time on the list in the last 12 months. Under 5k.	10481	\$ 2,391
GREEN LIFE SUPPLY LLC accusation for failure to pay taxes served 5.16.23	10958	\$ 28,865
GREENDREAMS CULTIVATION eighth time on the list in the last 12 months. Under 5k.	10308	\$ 1,244
GREENSTAR, INC. 2022-2023 renewal denied. Licensee in active appeal through OAH	12872	\$ 224,699
HAPPY CANNABIS eighth time on the list in the last 12 months. Under 5k	10201	\$ 1,058
HARDWORKING HIPPIES ninth time on the list in the last 12 months. Under 5k	11350	\$ 2,058
HONEY BEES fourth time on the list in the last 12 months, but not in the last 3 consecutive months.	25971	\$ 7,519
LAST FRONTIER JOINT OPERATIONS LLC seventh time on the list in the last 12 months, and last three consecutive months.	11957	\$ 32,442
NORTHLINK, LLC accusation for failure to pay taxes served 5.16.23	11051	\$ 25,426
PAGAN ENTERPRISES LLC first time on the list in the last 6 months (relatively new establishment)	30321	\$ 2,603
PERMAFROST DISTRIBUTORS first time on the list in the last 12 months.	10147	\$ 683
PERMAFROST DISTRIBUTORS fourth time on the list in the last 12 months, but not in the last 3 consecutive months.	11519	\$ 10,623

Needs accusation.

AMCO Cultivator Name	License	Balance
TAKU HORTICULTURE COMPANY, LLC <small>fourth time on the list in the last 12 months, but not in the last 3 consecutive months.</small>	12176	\$ 40,791
TLG GARDEN LLC <small>fourth time on the list in the last 12 months, and last 3 consecutive months, but under 5k.</small>	13344	\$ 1,004
TOP HAT, LLC <small>first time on the list in the last 12 months.</small>	10270	\$ 19,546
TREE LOGIC <small>second time on the list in the last 12 months.</small>	27531	\$ 6,744
TUNDRA JANE <small>first time on the list in the last 12 months.</small>	12808	\$ 6,128

There were also 18 cultivation facilities with inactive licenses that failed to pay marijuana excise taxes as required under AS 43.61.010.

AMCO Cultivator Name	License	Balance
ACP, LLC	20716	\$ 119,311
ALASKA CANNABIS CULTIVATORS	10592	\$ 245,776
ALASKA CANNABIS PROPAGATION	11651	\$ 6,722
ALASKA JANE	11617	\$ 8,883
ALASKA PRECISION	10040	\$ 25,182
ALASKAN BLOOMS, LLC	10073	\$ 824,365
ALASKAN DEVILS LETTUCE	11556	\$ 5,037
ARCTIC HYDROPONICS LLC	19279	\$ 31,343
DANISH GARDENS, LLC	10310	\$ 264,684
FARMER JACK'S LLC	10142	\$ 20,931
GREEN LEAF	10066	\$ 84,383
HAPPY TREES, LLC	13416	\$ 27,996
HERBAL INSTINCTS	10156	\$ 194,368
MUGGLE ORGANICS	21822	\$ 16,396
RAINFOREST FARMS, LLC	10026	\$ 132,128
RED FOX FARMS LLC	17778	\$ 5,966
THE GIVING TREE	13211	\$ 944
TWO BIRDS ONE STONED	17445	\$ 32,197

If we reported the total number of past due accounts for tax periods through March 31, 2023, we would report 68 cultivators owing a total of \$3,079,167.

Sincerely,

Ben Roundy, Tax Auditor
Department of Revenue – Tax Division

This page is maintained by Jane with AMCO (not by DOR)

AMCO Cultivator Name - DBA	License No.													Times on Delinquency List in Past 12 Months
		Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	
50 SHADES OF GREEN LLC	14956	27,757	29,195	30,690	32,129	36,422	36,592	37,231	37,646	38,018	38,237	38,483	38,719	12
AK GREEN BEE, INC.	13603												1,337	1
ALASKA CANNABIS COMPANY	12618	43,391	48,567	52,090	58,268	59,206	67,595	68,477	69,395				27,330	9
ALASKAN SUNGROWN	23902										19,506			1
ALASKA BEASTY BUDS	16028		3,115		3,300			357					709	4
ALASKA MARIJUANA GARDENS (AMG)	12125	83,087												1
ALASKAN GREENERY	10043			1,697	1,697									2
ARCTIC FARM, LLC	13663			3,377										1
ARCTIC GREENERY, LLC	10286								5,377	3,641				2
BELLS FLATS BOTANICALS	11582	1,514												1
BODHI TREE WELLNESS	14178												396	1
BOB'S MORNING BEAR CULTIVATION	10063									760	800			2
BOREAL INC.	10514	13,507	18,601	19,430	19,976	24,065	27,336	29,662	34,550	45,224	46,341	48,579	49,597	12
CANNABOYD	10210									843				1
CARADUNDY COLAS	24237										422			1
COTTON MOUTH CANNABIS CO.	15015								17,254	20,325	23,852	27,574		4
CUT ABOVE LLC	16815			13,265	13,952									2
DDIII	24871								1,396					1
DKW FARMS LLC	11234			4,040										1
DREAM GREEN FARMS	10080	53,697	65,057	76,783	84,133	96,523		117,533	121,030	126,524	132,282	135,285	155,923	11
DUTCH BUDS CANNABIS CO.	16916					422			1,605	1,783				3
EAGLE STREET PLANT	26609										9,293			1
FAIRBANKS FIREWEED, LLC	11092			7,025										1
FIBERFLITE	13577	14,158		715										2
FIELD'S OF GREEN LLC	14800	801												1
FRISSON FARMS, LLC.	12616				1,685		465	490						3
FRONTIER GROW LABS, LLC	11319		5,783	4,009	15,500	20,920	32,840	33,675	46,616	53,135	63,177	80,428	90,787	11
GOLDHILL GARDENS	10481			3,957	5,158			1,228	1,293		3,055	3,224	2,391	7
GOODSINSE LLC	10279	293												1
GRATEFUL BUD LLC	16474	30,618	47,357	23,359	7,611									4
GREAT ALASKAN BUD COMPANY	10112			1,655					763					2
GREEN ACRES 907, LLC	19466			2,663	4,566					601				3
GREEN LIFE SUPPLY LLC	10958						232	94,834	94,589	45,635	67,659	48,822	28,865	7
GREEN VALLEY ENTERPRISES	13221									21,197		13,741		2
GREENDREAMS CULTIVATION	10308				3,045		2,925	3,031	1,856	2,609	2,231	2,774	1,244	8
GREENSTAR, INC.	12872	97,112	109,650	118,930	128,675	142,955	159,531	166,592	178,380	198,599	208,240	219,486	224,699	12
HAPPY CANNABIS	10201	4,579		1,040		6,336	8,128	10,652			960		1,058	7
HARDWORKING HIPPIES	11350	597	661	1,011	1,481			1,154	1,745	1,839	1,930	2,022	2,058	10
HERB'N LEGENDS LLC.	15209	5,282	5,555	5,840										3
HOMER BUDZ, LLC	12783									638				1
HONEY BEES	25971								215	683		7,360	7,519	4
J & M INVESTEMENTS, LLC	22960						845		937	1,058				3
KINE CO	17409		1,337		7,569	8,049	13,736	14,163	12,093	9,215	9,371			8
LAST FRONTIER JOINT OPERATIONS LLC	11957	84,981	18,656					11,358			27,905	19,432	32,442	6
LIGHTENING STRIKE ORGANICS	10272		948											1
MOOSE GARDEN, LLC	10025										6,412			1
NORTH LINK, LLC	11051							8,832	1,471	526	834	13,398	25,426	6
NORTH STAR FIRE	13479		397				370	484						3
PAGAN ENTERPRISES, LLC	30321												2,603	1
PERMAFROST DISTRIBUTORS	10147												683	1
PERMAFROST DISTRIBUTORS	11519			2,833		9,349					10,609		10,623	4
REDOUBT REFFER	29604							12,610	13,960					2
ROCK HARD NUGZ AK	15223		3,774	10,253					13,075					3
SEA*WEED FARMS	14511							2,527	4,139					2
SNOW LOTUS GARDENS, LLC	20642		4,389	2,808	2,773	1,153	1,153	1,153	1,153	1,153	1,153			9
STONED SALMON FARMS	11605					107,528						35,278		2
STONEY MOOSE FARMS	10657					5,803	9,758		1,726		9,406			4
TAKU HORTICULTURE COMPANY, LLC	12176		10,338				25,233					37,956	40,791	4
TALKEETNA HERB COMPANY	10004		9,290		5,551	2,809	3,280							4
THE HAPPY HARVEST COMPANY LLC	14736				207	2,461			1,421		2,064	2,598		5
THE NOBLE DUDES, LLC	13659				833	592		739		465	2,408			5
TLG GARDEN LLC	13344									820	911	958	1,004	4
TOP HAT, LLC	10270												19,546	1
TREE LOGIC	27531						11,051						6,744	2
TUNDRA JANE	12808												6,128	1
VAN GEER ENTERPRISES, LLC	12002		839											1

WILDFLOWER FARMS (formerly Alaska Loven It, LLC)	12833		13,135			4,976	11,951	12,486	27,952	47,992	44,380	53,446		8
Total Taxpayers on Delinquency List by Month		15	20	22	20	17	18	41	44					



Alaska Marijuana Control Board

Form MJ-17: Ownership Change

Why is this form needed?

This ownership change form must be completed and submitted to AMCO's main office, along with all necessary supplemental documents and fees, **before** an ownership change that does not affect the controlling interest of an entity has occurred, as required by 3 AAC 306.040. The required \$250 change fee may be made by check, cashier's check, or money order. **The ownership may not be changed until the approved form is returned to you.**

"Ownership change" means:

- If the licensee is a **partnership**, including a limited partnership, any change in the identity of the partners, or in the ownership percentages held by the partners.
- If the licensee is a **limited liability company (LLC)**, any change in the identity of the members or managers, or in the ownership percentage held by any member.
- If the licensee is a **corporation**, any sale of corporate stock to a person not currently an owner, any change of the percentage ownership of an existing shareholder, or any change in the corporation's officers or directors.

The following must be submitted for **each new person** being added as a licensee on the license:

- A completed copy of **Form MJ-00: Application Certifications**
- A completed copy of **Form MJ-09: Statement of Financial Interest**
- A completed **fingerprint card**
- **Fingerprint fees**
- A copy of the draft **Notice of Change of Officials** that will be filed with the Alaska Division of Corporations, Business & Professional Licensing. **(This document must NOT be submitted to CBPL until the change is approved.)**
- Updated entity documents:
 - If the entity is an LLC, an updated copy of the LLC's **operating agreement**
 - If the entity is a partnership, an updated copy of the **partnership agreement**
 - If the entity is a corporation, an updated copy of the **corporate bylaws**

If there is any proposed change in ownership that will result in a change in **controlling interest** of the marijuana establishment license, the establishment must file an application for **transfer** of the license to another person under 3 AAC 306.045. **Please note that licensees seeking to change ownership of an entity that owns multiple licenses must submit a separate completed copy of this form and the required supplemental documents for each license.** (the requirement of one application/form and therefore \$250 for each license is not in regulation). Would the board be opened to removing this requirement?.

Section 1 – Establishment Information

Enter information for the licensed business.

Licensee:		MJ License(s) #:	
License Type(s):			
Doing Business As: <small>remove</small>			
Premises Address: <small>remove</small>			
City: <small>remove this entire line</small>	State:	Alaska	ZIP:
Email:	Phone #:		



Alaska Marijuana Control Board

Form MJ-17: Ownership Change

Section 2 – Entity Officials

Enter all information for each of the individuals listed below (attach additional copies of this page, as needed). If any entity official is another entity, you must include the AK Entity # of that entity in the Entity Official Name field, attach a separate completed copy of this page that breaks down the ownership information for that entity, and submit the required supplemental documents and fees listed on Page 1 for each entity official of that entity. Entity documents must be submitted for each entity listed on this form.

- If the applicant is a **corporation**, each officer or director, and owner of any of the corporation’s stock.
- If the applicant is a **limited liability company**, each member holding any ownership interest and each manager.
- If the applicant is a **partnership**, each partner holding any interest in the partnership, and each general partner.

Entity Official Name:					
Title(s):		Phone:		% Owned:	
Email:					
Mailing Address:					
City:		State:		ZIP:	

Entity Official Name:					
Title(s):		Phone:		% Owned:	
Email:					
Mailing Address:					
City:		State:		ZIP:	

Entity Official Name:					
Title(s):		Phone:		% Owned:	
Email:					
Mailing Address:					
City:		State:		ZIP:	

Entity Official Name:					
Title(s):		Phone:		% Owned:	
Email:					
Mailing Address:					
City:		State:		ZIP:	

Entity Official Name:					
Title(s):		Phone:		% Owned:	
Email:					
Mailing Address:					
City:		State:		ZIP:	



Alaska Marijuana Control Board
Form MJ-17: Ownership Change

Section 3 – Declarations

Read the line below, and then sign your initials in the box to the right of the statement: Initials

Completed copies of all required documents and fees listed on Page 1 of this form are attached.

I hereby certify that I am the person herein named and subscribing to this application and that I have read the complete application, and I know the full content thereof. I declare that all of the information contained herein, and evidence or other documents submitted are true and correct. I understand that any falsification or misrepresentation of any item or response in this application, or any attachment, or documents to support this application, is sufficient grounds for denying or revoking a license/permit. I further understand that it is a Class A misdemeanor under Alaska Statute 11.56.210 to falsify an application and commit the crime of unsworn falsification.

Signature of licensee

Signature of Notary Public

Printed name of licensee

Notary Public in and for the State of _____.

My commission expires: _____

Subscribed and sworn to before me this ____ day of _____, 20____.

AMCO Review: Approved Denied

Signature of Director

Printed name of Director

☐☐

AMCO Comments: